

ITEL

RECORDATION NO. 8819-2 Filed 1425

MAY 5 1980 -3 15 PM

Rail Division INTERSTATE COMMERCE COMMISSION

Two Embarcadero Center
San Francisco, California 94111
(415) 955-9090
Telex 34234

April 29, 1980

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Washington, DC 20423

No. 0-126A121

Date MAY 5 1980

Fee \$ 20.00

ICC Washington, D. C.

RECEIVED
MAY 5 3 05 PM '80
I.C.C.
FEE OPERATION BR.

Re: Itel Corporation
Equipment Trust 1977 Series 2
Equipment Trust Agreement dated as of March 15, 1977
9 1/2% Equipment Trust Certificates due October 31, 1992

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. Section 11303(a) and the Interstate Commerce Commission's rules and regulations thereunder, I enclose herewith, on behalf of Itel Corporation, for filing and recordation, as an additional filing under Recordation No. 8819, three (3) executed counterparts of the following document:

Assignment of Lease and Agreement, made as of February 6, 1980, between Itel Corporation and First Security Bank of Utah, N.A., as Trustee.

The names and addresses of the parties to the aforementioned document are:

- (1) Itel Corporation, Rail Division
Two Embarcadero Center, 24th Floor
San Francisco, California 94111
- (2) First Security Bank of Utah, N.A., as Trustee
79 South Main Street
Salt Lake City, Utah 84111

Please cross-index the above-referenced Assignment of Lease and Agreement with the following document, which is filed under Recordation No. 8781:

Equipment Trust Agreement, dated as of March 15, 1977, between First Security Bank of Utah, N.A., as Trustee, and Itel Corporation.

*This is
8819-2*

*I am typing this to
Agatha Mergenovich*

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Re: Assignment of Lease and Agreement
April 29, 1980
Page two

The equipment covered by the enclosed Assignment of Lease and Agreement is one hundred (100) boxcars (A.A.R. mechanical designation XM; 50'6" in length, 9'6" in inside width, 10'7" in height and with 8' double sliding doors), formerly, and until remarked, marked with McCloud Railroad marks in the series MR2000-2399, to be remarked to SNCT 1000 through and including SNCT 1099.

Enclosed also is a check for \$20.00 for the required recordation (\$10.00) and cross-indexing (\$10.00) fees.

Please stamp all counterparts of the enclosed document with your official recording stamp. You will wish to retain one (1) counterpart of the document for your files; it is requested that the remaining two (2) counterparts be delivered to the bearer of this letter.

Sincerely,



David V. Biesemeyer
Senior Counsel

DVB:cp
encls.

cc: Robert S. Clark, Esq.
Edward Wes, Esq.
Michael Walsh, Esq.
Steven C. Wight

8819-1

RECORDATION NO. 8819-2 Filed 1425

ASSIGNMENT OF LEASE AND AGREEMENT dated as of February 6, 1980 (hereinafter called this Assignment), by and between **IteI Corporation**, a Delaware corporation, as successor to SSI Rail Corp. (together with its successors and assigns, being hereinafter called IteI) and **First Security Bank of Utah**, National Association (hereinafter called the Trustee).

WHEREAS IteI entered into an Equipment Trust Agreement dated as of March 15, 1977 (such Equipment Trust Agreement, together with any amendments or supplements thereto, being hereinafter called the Agreement); and

WHEREAS IteI and the McCloud River Railroad Company (hereinafter called the Lessee) have entered into a lease of Equipment (as defined in the Agreement) dated as of April 20, 1977 (such lease, together with any amendments or supplements thereto, being hereinafter called the Lease), providing for the leasing by IteI to the Lessee of certain of the units of the Trust Equipment (as defined in the Agreement); and

WHEREAS the Lease may also cover the leasing to the Lessee of other equipment not included as part of the Trust Equipment; and

WHEREAS the Lessee, with the consent of IteI, has entered into a sublease, made as of February 6, 1980 (hereinafter called the Sublease), of certain of the units of Trust Equipment, one hundred (100) units bearing Lessee's road numbers specified on Exhibit A attached hereto as a part hereof, leased by IteI under the Lease to Lessee, to the Seattle and North Coast Railroad Company (hereinafter called the Sublessee) pursuant to which the road numbers on said Trust Equipment are to be changed by remarking to SNCT 1000 to and including SNCT 1099; and

WHEREAS IteI has consented to the Sublease and the Sublessee has assigned its rights in, to and under the Sublease to IteI; and

WHEREAS the Sublease may also cover the leasing to Sublessee of other equipment not included as part of the Trust Equipment; and

WHEREAS in order to continue to provide security for the obligations of IteI under the Agreement, IteI agrees to assign for security purposes its rights in, to and under the Sublease to the Trustee as and only to the extent that the Sublease relates to the Trust Equipment;

NOW, THEREFORE, in consideration of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. IteI hereby assigns, transfers and sets over unto the Trustee, as collateral security for the payment and performance of IteI's obligations under the Agreement, all of IteI's right, title and interest, powers, privileges and other benefits under the Sublease as and only to the extent that the Sublease relates to the Trust Equipment, including, without limitation, all rights to receive and collect all rentals, profits and other sums payable to or receiveable by IteI from the Sublessee under or pursuant to the provisions of the Sublease to the extent that the same are payable in respect of the Trust Equipment, whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys being hereinafter called the Payments); provided, however, that until an Event of Default under the Agreement, or any event which with notice or lapse of time or both, could

constitute such an Event of Default, shall occur, it is understood that Itel shall be entitled to collect and receive all such Payments and to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Sublease, and to apply all Payments to which Itel is entitled to the payment of any and all of Itel's obligations under the Agreement. In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, Itel hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of Itel or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which Itel is or may become entitled under the Sublease, and to enforce compliance by the Sublessee with all the terms and provisions thereof. Whenever the Sublease covers other equipment not included as part of the Trust Equipment and the amount of any payment due to Itel under the Sublease as car hire payments (including both straight and incentive per diem), mileage charges or other rental revenues is calculated on an aggregate basis for all equipment leased thereunder, for the purposes of this Assignment an amount equal to the Assigned Fraction (as hereinafter defined) of each such payment shall be deemed to be payable with respect to the Trust Equipment leased under the Sublease. The term "Assigned Fraction" as used herein shall mean a fraction the numerator of which shall be the number of units of equipment comprising the Trust Equipment leased under the Sublease and the denominator of which shall be the aggregate number of units of equipment (including the units of Trust Equipment) at the time leased under the Sublease.

2. This Assignment is executed only as security for the obligations of Itel under the Agreement and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or pass, or in any way affect or modify, the liability of Itel under the Sublease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of Itel to the Sublessee shall be and remain enforceable by the Sublessee, its successors and assigns, against, and only against Itel or persons other than the Trustee.

3. To protect the security afforded by this Assignment, Itel agrees as follows:

(a) Itel will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Sublease provides is to be performed by Itel.

(b) At Itel's sole cost and expense, Itel will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of Itel under the Sublease.

(c) Should Itel fail to make any payment or to do any act which this Assignment requires Itel to make or do, then the Trustee, but without obligation so to do, after first making written demand upon Itel and affording Itel a reasonable period of time within which to make such payment or do such act, but without releasing Itel from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of Itel contained in the Sublease; and in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and Itel will reimburse the Trustee for such costs, expenses and fees.

4. Upon the full discharge and satisfaction of all of Itel's obligations under the Agreement and this Assignment, all rights herein assigned to the Trustee shall terminate, and all estate, right, title and interest of the Trustee in and to the Sublease shall revert to Itel.

5. Itel will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Trustee in order to confirm or further assure, the interests of the Trustee hereunder.

6. If an Event of Default shall occur and be continuing under the Agreement, the Trustee may assign all or any of the rights assigned to it hereby or arising under the Sublease, including without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder. The Trustee will give written notice to Itel and the Sublessee of any such assignment.

7. This Assignment shall be governed by the laws of the State of Utah, but the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names, by officers thereunto duly authorized, and their respective seals to be affixed and duly attested, all as of the date first above written.

ITEL CORPORATION

By: Carl P. Taylor
Title: President, Rail Division

(Corporate Seal)

Attest:

H. H. Howerton
Secretary

(Seal)

**FIRST SECURITY BANK OF UTAH,
National Association, as Trustee,**

By: [Signature]
Authorized Officer

Attest:

[Signature]
Authorized Officer

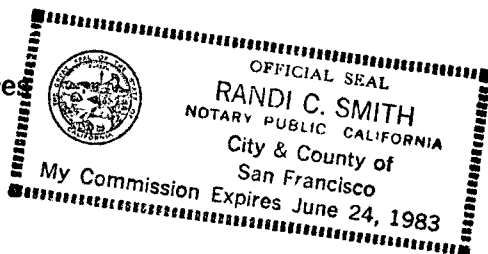
STATE OF CALIFORNIA,)
) ss.:
COUNTY OF SAN FRANCISCO,)

On this 14th day of March, 1980, before me personally appeared Carl H. Taylor, to me personally known, who, being by me duly sworn, says that he is President of ITEL CORPORATION, RAIL DIVISION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its By-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Randi C. Smith
Notary Public

(Notarial Seal)

My Commission expires



STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this 2nd day of May, 1980, before me personally appeared Robert S. Clark, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, National Association, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Casey J. Krohl
Notary Public

(Notarial Seal)

My Commission expires

7/17/82

Exhibit A**2000 Series**

MR 2015
MR 2020
MR 2021
MR 2028
MR 2029
MR 2031
MR 2043
MR 2044
MR 2046
MR 2050
MR 2052
MR 2054
MR 2057
MR 2061
MR 2065
MR 2068
MR 2070
MR 2072
MR 2076
MR 2077
MR 2078
MR 2079
MR 2081
MR 2082
MR 2089
MR 2091
MR 2099

2100 Series

MR 2100	MR 2142	MR 2185
MR 2102	MR 2143	MR 2186
MR 2104	MR 2144	MR 2187
MR 2105	MR 2145	MR 2188
MR 2106	MR 2147	MR 2189
MR 2107	MR 2149	MR 2190
MR 2109	MR 2152	MR 2192
MR 2110	MR 2154	MR 2193
MR 2113	MR 2155	MR 2194
MR 2114	MR 2156	MR 2195
MR 2117	MR 2157	MR 2196
MR 2118	MR 2158	MR 2197
MR 2120	MR 2159	MR 2199
MR 2121	MR 2160	
MR 2122	MR 2161	
MR 2123	MR 2162	
MR 2125	MR 2163	
MR 2126	MR 2165	
MR 2127	MR 2166	
MR 2129	MR 2167	
MR 2130	MR 2168	
MR 2131	MR 2169	
MR 2132	MR 2170	
MR 2133	MR 2173	
MR 2134	MR 2175	
MR 2135	MR 2177	
MR 2136	MR 2178	
MR 2137	MR 2179	
MR 2139	MR 2182	
MR 2140	MR 2183	